

## Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 01055 040819Z

20

ACTION XMB-04

INFO OCT-01 NEA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /051 W

----- 016905

R 040655Z JAN 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 066

UNCLAS TEHRAN 1055

E.O. 11652: NA

TAGS: BPRO, IR

SUBJ: EXTENSION OF \$5 MILLION CFF LINE

REF: STATE 18478

1. EMBOFF DISCUSSED EXTENSION OF \$5 MILLION COOPERATIVE FINANCING FACILITY WITH INDUSTRIAL CREDIT BANK DIRECTOR OF INTERNATIONAL OPERATIONS FAZLOLLAHI WHO STATED THAT THE BANK MAY NO LONGER BE INTERESTED IN EXTENSION OF CFF LINE. SINCE REQUEST FOR EXTENSION WAS MADE, IRANIAN INTEREST RATES HAVE BEEN REDUCED SOMEWHAT (TEHRAN 765). INDUSTRIAL CREDIT BANK EXPECTS TO BE ABLE TO BORROW MONEY FROM THE CENTRAL BANK OF IRAN AT 6-6 AND 1/2 PERCENT RATE OF INTEREST RATHER THAN CURRENT 7 AND 1/2 PERCENT, AND IT PROBABLY WILL BE ABLE TO REDUCE ITS OWN LENDING RATE FOR INDUSTRIAL PROJECTS ACCORDINGLY FROM THE PRESENT 9-11 PERCENT RANGE. WHEN THESE NEW LOWER INTEREST RATES BECOME EFFECTIVE, 8 - 8 AND 1/2 PERCENT INTEREST CHARGED BY EX IM BANK MAY NO LONGER BE COMPETITIVE.

2. FAZLOLLAHI SAID THAT EXIM BANK WILL BE INFORMED OFFICIALLY OF THE INDUSTRIAL CREDIT BANK'S WISHES REGARDING EXTENSION OF THE CFF LINE AS SOON AS IT LEARNS THE NEW LENDING RATE FROM THE CENTRAL BANK. EMBASSY SUGGESTS DECISION ON EXTENSION BE DEFERRED UNTIL EXIM BANK RECEIVES OFFICIAL WORD FROM THE INDUSTRIAL CREDIT BANK.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 01055 040819Z

3. SHOULD THE IRANIAN BANK DECIDE TO REITERATE ITS REQUEST FOR EXTENSION OF THE CFF LINE, EMBASSY KNOWS OF NO REASON WHY EXIM BANK SHOULD NOT APPROVE. THE INDUSTRIAL CREDIT BANK IS WHOLLY OWNED BY THE GOI AND IS IMPORTANT IN PROVIDING FINANCING FOR SMALL AND MEDIUM SCALE INDUSTRIAL PROJECTS. IT IS BACKED BY THE CURRENTLY STRONG FINANCIAL RESOURCES OF THE GOI.  
MIKLOS

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975TEHRAN01055  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750040-0168  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750177/aaaacpyj.tel  
**Line Count:** 68  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 18478  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 FEB 2003 by RicharJA>; APPROVED <06 JAN 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXTENSION OF \$5 MILLION CFF LINE  
**TAGS:** BPRO, IR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006